

**PUBLIC SERVICE COMMISSION OF WISCONSIN**

2015 Miscellaneous Tariff Filings

4220-TE-101

**FINAL DECISION**

**Introduction**

On April 27, 2015, Northern States Power Company-Wisconsin (NSPW) filed an application requesting approval to establish a community solar garden pilot program and approval for an associated tariff. ([PSC REF#: 235457](#), [PSC REF#: 235456](#) Confidential.) The Commission discussed the application during the open meeting of May 14, 2015. The application is APPROVED, as conditioned by this Final Decision.

**Opinion**

The community solar garden pilot program proposed by NSPW will give customers the option to purchase subscriptions to a utility-scale solar photovoltaic (PV) array and receive a monthly bill credit proportional to the output of the PV array. NSPW will contract with a third party to build the PV array. The customer subscription fee will be based on NSPW's costs through its Purchased Power Agreement (PPA) with the third party, along with NSPW's administrative marketing and overhead costs.

The monthly bill credit will reflect NSPW's embedded electric production costs and will be adjusted in future rate cases to reflect the current embedded production costs. NSPW will also retire the appropriate renewable energy credits (REC) on the customers' behalf.

The pilot program contains various provisions to protect subscribers in the event they move out of the service area or cease to be a customer of the utility for any other reason. These provisions allow subscribers to transfer their subscription to another customer upon leaving

NSPW's service area, donate their subscription to a non-profit NSPW customer, or obtain a refund of the subscription, less depreciation, as provided in the associated tariff.

This pilot will be limited to an initial cap of 3 megawatts of capacity (direct current). Customers may subscribe in 200 watt increments for a total amount up to 100 percent of their average annual load, based on 24 months of billing history. Any unsubscribed portion of an array will be assigned to NSPW until sold, and NSPW will purchase the output of that portion at the utility's avoided cost of generation. Purchasing the unsubscribed output at this rate ensures that non-subscribing customers will be indifferent to receiving power from the community solar garden or any other generating source in NSPW's fleet.

The Commission continues to be concerned with cross-subsidization issues. This program, as proposed, takes care to prevent cross-subsidization so that subscribers cover the cost of the solar garden and in return will receive all the production benefits that these PV arrays provide. However, the Commission is aware that there may be additional benefits to the system from this program that cannot be determined until after the arrays go into service. Therefore, the Commission finds it reasonable to require NSPW to work with Commission staff to identify any avoided transmission costs related to the Midcontinent Independent System Operation, Inc., schedules that may arise from solar installations through this program.

This pilot program will give the Commission an opportunity to gather more data on utility-scale solar PV facilities. Also, as the first of its kind in Wisconsin, this program can provide better information on customer interest in solar projects. NSPW, as part of the pilot, is required to report annually to the Commission on the following:

1. Amount of energy produced by each PV array;
2. Hourly production curves for each PV array and the system as a whole by month;
3. Number of subscribing customers;

4. Average subscription size in kilowatts (kW); and
5. The amount of unsubscribed shares in kW.

The report will be due to the Commission by May 1 of each year and include data on the previous year's production.

The Commission received one comment from RENEW Wisconsin and has taken that comment into consideration in reaching this decision.

### **Order**

1. NSPW's community solar garden pilot program and associated tariff are approved. NSPW shall file the community solar garden tariff with the Commission under Amendment Number 741 and make the tariff available to the public pursuant to Wis. Stat. § 196.19 and Wis. Admin. Code § PSC 113.0501(1).

2. NSPW shall work with Commission staff and report on transmission-related benefits associated with the PV arrays 12 months after the first array goes into service.

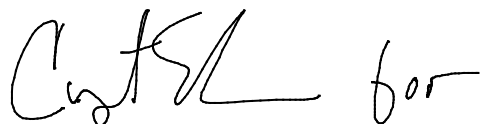
3. NSPW shall file an annual report no later than May 1 on the previous year's production and customer-related data listed in this Final Decision.

4. This Final Decision takes effect one day after the date of service.

5. Jurisdiction is retained.

Dated at Madison, Wisconsin, this 27<sup>th</sup> day of May, 2015.

By the Commission:

A handwritten signature in black ink, appearing to read 'SJP' followed by a stylized flourish, and the word 'for' written in a cursive script to the right.

Sandra J. Paske  
Secretary to the Commission

SJP:RSS;jlt:DL:00974601

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN  
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE  
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE  
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

*PETITION FOR REHEARING*

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

*PETITION FOR JUDICIAL REVIEW*

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.<sup>1</sup> The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

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<sup>1</sup> See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.